



## M E M O R A N D U M

**TO:** Interested Parties

**FROM:** David Allen, Chief Market Analyst

**DATE:** February 27, 2009

**RE:** Updates to market studies

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MSHDA will now accept updates for most market studies submitted for both 9% LIHTC and MSHDA Direct Lending programs. To qualify:

1. The study must be dated within one year of the application due date in which the proposal will compete;
2. The study must have been assigned by MSHDA, or completed by a firm on our current approved list (in Tab C of the Combined Application on the MSHDA website);
3. The project that is described in the study has not undergone any major changes since the study was completed and submitted. Major changes include rent increases of more than 10%, including more targeted units at higher Area Median Income bands (more 60% AMI units, more market-rate units, etc.), and changing more than three amenities on offer;

If all of these conditions are met, then an update can be ordered. The update will take the form of a letter, stating that no material changes have occurred in the market since the completion of the first study, and the recommendation given previously, in light of any minor changes planned for the current proposal, is still supportable (if these assertions are correct). The fee for this letter is \$1,500, which will cover the costs of calling comparable properties, checking for possible changes in the market area's development pipeline, updating any rent reasonableness tests for the proposal, and re-computing demand (if minor rent changes have occurred).

Please contact me with any questions. My direct line is (517) 335-4786, and my email address is [allend1@michigan.gov](mailto:allend1@michigan.gov).